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GRADING OF COMINT [REDACTED]

1. During 1949 tin has been exported from Hong Kong by the following companies:

- a. Chee Hing Company, Chung Tin Building, a large tin export firm for over 40 years. It is well thought of in Hong Kong and has informed the Hong Kong Government of all of its dealings. Mr. MAK, the manager, has an excellent reputation as an honest man.
- b. Ching Cheng Company, Marina House, which is owned by Chee Hing.
- c. L. Rondon and Company, French Bank Building, a French trading firm which, with Chee Hing, is one of the two largest private tin export firms.
- d. National Resources Commission, Jardine Compound, East Point, Hennessy Road.
- e. T. O. WONG and Company, Prince's Building, Ice House Street, which also exports tin through Kwang Shing Cheong, West Point2.
- f. Pei Lin Syndicate, Ltd., Hong Kong Club, a large British firm which only handles small quantities of tin.
- g. Hong Kong-Canton Export Company, French Bank Building, which also exports under Oliver-Chine S. A.
- h. G. Arnulph, French Bank Building, who works for Hong Kong-Canton Export Company but also exports for his own account.

2. Only small tin shipments have been handled by the following companies:

- a. Bunnan Tong and Company, Marina House.
- b. Frazer Scott Ltd., Telephone House.
- c. Tung Kee Hong, French Bank Building.
- d. Hock Ting Company, Ltd., 15 Connaught Road. Auth: [REDACTED]

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- e. Hang Tai and Fungs, Kayamally Building.
- f. Oriental Development and Finance Corporation, Holland House.
- g. Tonley and Company, Wing On Building, which is said to be owned by Wing On Bank.
- h. Victor Warne and Company, 9 Queen's Road Central (Holland House).
- i. Wayne and Haylitt Company, Prince's Building.
- j. United Manufacturers Trading Company, 130 Bonham Strand East.
- k. Roy Farrell Export-Import Company, York Building, which is the only American-owned company dealing in tin at present. Shipments are usually to Fred Lenway or to Felix Kamarsky³, USA, but the company has attempted to sell to the USSR⁴.
- l. E. Ott and Company, French Bank Building, which is a Swiss firm.
- m. Pak Hing Loong, 24 Queen's Street, Hong Kong.
- n. Yangtze Supply Corporation, 24 Connaught Road⁵.

3. Tin is refined in Hong Kong by the following companies:

- a. Chee Hing Company, which has facilities at West Point that can refine 10 tons a day. It mixes Malaya tin with Yunnan tin in refining the lowgrade (96%) Yunnan tin ingots⁶.
- b. T. O. WONG and Company, which has two small furnaces at Mong Kong (Kowloon) where it used to smelt tin concentrates before World War II. These are now used for refining and can handle about 6 tons a day.
- c. Pak Hing Loong Company, Queen's Street, which has four kettles that handle a total of three tons a day.

4. Before World War II the Fung Tang Kee Company, which had smelting and refining facilities in Kowloon and at West Point, was the leading tin refiner. It is no longer in the tin business and the furnaces are no longer used because its owner has retired.

Tin Export, Hong Kong and Macao

5. As of 1 November 1949 Chinese Nationalist Government export permits were no longer necessary to ship tin out of Hong Kong. The permits, which were bought from dishonest Nationalist officials or from the Macao Government, usually cost Hong Kong (HK) \$15-30 for each picul of tin.

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6. [REDACTED] over 70 metric tons of tin are exported illegally each month. The Hong Kong Government wants to stop these exports because it receives no exchange on them. Some is smuggled to Macao where, before devaluation of the British pound, a saving of HK \$40-50 per picul was made because there is no surrender of foreign exchange⁷. The destination of tin shipments from Macao is not recorded.

7. Freighters, which cannot come into Macao harbor, anchor 12 miles out and load from junks. During July 1949, 600 metric tons of tin were exported from Macao. John Manners Company, a British firm handling coastwise shipping, has stated that, for 1½ cents per pound of tin, it would carry 150-ton shipments from Haiphong to vessels anchored off Macao without landing the cargo in Macao, or make a transfer elsewhere off the China coast if desired.

8. On 30 October 1949 a 20-ton shipment of 98% tin ingots was being smuggled from Queen's Road, Hong Kong, to Macao by Pak Hing Loong. The firm is

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listed only as a refiner and has never surrendered foreign exchange to the Hong Kong Government.

Tin Flights, Mengtzu-Haiphong

10. On 5 October 1949 the French stopped all planes from landing at Haiphong for eight days because of rainy weather, which they claimed softened the base of the airstrip. Rondon complained to the highest authorities in Paris about the poor condition of the Haiphong airstrip and the French Army was ordered to put mats over the airstrip, which is now being done. Landings are expected to increase within a few days. SITA, a French airline, has started to use Bristol freighters on the Mengtzu-Haiphong flight.
11. There are reported to be 1,300 tons of tin concentrates at Mengtzu airfield and in Mengtzu proper. There are well over 2,000 tons of concentrates at Kochiu and the mines, many of which are reported to have closed because of the lack of a market. The Yunnan Consolidated Tin Corporation has over 400 tons of 99.8% tin, which it may fly to Hong Kong.
12. The Nan Yang Development Corporation of Kunming, which has a Hong Kong office, is shipping some tin concentrates from Kochiu to Kunming by rail, then flying them by Civil Air Transport (CAT) to Hong Kong. The total shipment, which is going to Texas City, Texas, is expected to amount to 100 tons, but only 40 tons have arrived in Hong Kong. The concentrates are packed in straw bags instead of in steel drums. The Kunming-Hong Kong air freight rate, about 14 cents per pound of concentrate, is very high compared with the Mengtzu-Haiphong rate of .0675 cents (sic).
13. CAT will try to keep one C-46 on the Mengtzu-Haiphong flight, which will enable it to make only three landings a day at Haiphong -- although the French are said to be ready to permit it to make six landings a day -- which means that it can fly only 18 tons of the large Yunnan stocks of tin and concentrate to Haiphong daily.
14. Rondon has abandoned its idea of smelting its Yunnan concentrates and is now planning to sell the concentrates to RFC.
15. The CAT C-47 which was completely wrecked in a crash in mid-November in south Yunnan was carrying five tons of tin concentrates.

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